

Proprietary and Confidential  
Final

# CORAM

Operating Budget 2000 - Consolidated

	4/24/200	Infusion	CII	CPS	Net	Consolidated
Net Revenue	\$441,700		\$4,500	\$23,500	\$0	\$469,700
Drugs & Supplies	173,400			20,100	-	193,500
Clinical Services	137,900			-	-	137,900
Clinical Services - D&A	5,200			-	-	5,200
Cost of Sales	316,500			20,100	-	336,600
Gross Profit	125,200	28.3%	4,500	3,400	-	133,100
			100.0%	14.5%	-	28.3%
Direct Operating Expenses	57,500		2,000	2,500	-	62,000
Direct Operating Expenses - D&A	2,000		-	100	-	2,100
Corporate Allocation - D&A	13,200		200	600	-	14,000
Corporate Allocation	31,700		300	1,700	-	33,700
MIP Incentive Plan - @ 85% MBO	6,400		100	300	-	6,800
Operating Expenses	110,800		2,600	5,200	-	118,600
Operating Income (Loss), Before Interest	14,400		1,900	(1,800)	-	14,500
Interest Expense	22,400		300	1,000	-	23,700
Discontinued Operations - Operating Loss	-		-	-	500	500
Other (Income) Expense	-		-	(25,000)	-	(25,000)
Income (Loss) Before MI & Income Taxes	(8,000)		1,600	22,200	(500)	15,300
Minority Interest	300		-	-	-	300
Income Taxes	500		-	-	-	500
Net Income (Loss)	(8,800)		1,600	22,200	(\$500)	\$14,500
EBITDA, with out sale of CPS	\$34,500		\$2,100	(\$1,100)	(\$500)	\$35,000
EBITDA	\$34,500		\$2,100	\$23,900	(\$500)	\$60,000

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# C O R A M

Operating Budget 2000 - Cash Flow

	Consolidated	Q1	Q2	Q3	Q4
Cash Receipts	\$459,800	\$130,600	\$112,600	\$105,000	\$111,600
Drugs & Supplies / Payroll / Other Operating Expenses	(433,900)	(125,100)	(109,900)	(96,400)	(102,500)
Cash From Operations	25,900	5,500	2,700	8,600	9,100
Capital Expenditures	(3,200)	(1,300)	(1,100)	(500)	(300)
Restructure Charges, from 1999	(10,000)	(5,100)	(2,100)	(1,500)	(1,300)
Tax Payments	(500)	(100)	(200)	(100)	(100)
Interest Income	200	-	-	100	100
Salv of CPS	40,000	-	40,000	-	-
Net Cash Before Debt Activity	52,400	(1,000)	39,300	6,600	7,500
Interest Payments	(13,500)	(1,100)	(1,100)	(4,800)	(6,500)
Payments on Credit Facility, net	(1,500)	(1,500)	-	-	-
Pay Down of Series B	(40,000)	-	(40,000)	-	-
Quarterly Cash Flow	(2,600)	(3,600)	(1,800)	1,800	1,000
Beginning Cash Balance	11,900	11,900	8,300	6,500	8,300
Ending Cash Balance	9,300	8,300	6,500	8,300	9,300

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# C O R A M

Operating Budget 2000 - Q1

	Consolidated \$135,100	Infusion \$112,200	CII \$400	CPS \$23,500	Encl \$0
Net Revenue					
Drugs & Supplies	63,100	43,000	-	20,100	-
Clinical Services	38,000	38,000	-	-	-
Clinical Services - D&A	1,300	1,300	-	-	-
Cost of Sales	<u>102,400</u>	<u>82,300</u>	<u>-</u>	<u>20,100</u>	<u>-</u>
Gross Profit	33,700	29,900	400	3,400	-
	24.8%	26.6%	100.0%	14.5%	
Direct Operating Expenses	17,600	14,700	400	2,500	-
Direct Operating Expenses - D&A	600	500	-	100	-
Corporate Allocation - D&A	3,900	3,300	-	600	-
Corporate Allocation	9,700	7,900	100	1,700	-
MIP Incentive Plan - @ 85% MBO	1,900	1,600	0	300	-
Operating Expenses	<u>33,700</u>	<u>28,000</u>	<u>500</u>	<u>5,200</u>	<u>-</u>
Operating Income (Loss), Before Interest	(0)	1,900	(100)	(1,800)	-
Interest Expense	5,900	4,900	-	1,000	-
Discontinued Operations - Operating Loss	400	-	-	-	400
Other (Income) Expense	-	-	-	-	-
Income (Loss) Before MI & Income Taxes	(6,300)	(3,000)	(100)	(2,800)	(400)
Minority Interest	100	100	-	-	-
Income Taxes	100	100	-	-	-
Net Income (Loss)	<u>(\$6,500)</u>	<u>(\$3,200)</u>	<u>(\$100)</u>	<u>(\$2,800)</u>	<u>(\$400)</u>
EBITDA, with out sale of CPS	\$5,300	\$6,900	(\$100)	(\$1,100)	(\$400)
EBITDA	<u>\$5,300</u>	<u>\$6,900</u>	<u>(\$100)</u>	<u>(\$1,100)</u>	<u>(\$400)</u>

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Operating Budget 2000 - Q2

	Consolidated \$106,700	Infusion \$105,700	QII \$1,000	CPS \$0	Net \$0
Net Revenue					
Drugs & Supplies	38,900	38,900	-	-	-
Clinical Services	36,500	36,500	-	-	-
Clinical Services - D&A	1,300	1,300	-	-	-
Cost of Sales	<u>76,700</u>	<u>76,700</u>	-	-	-
Gross Profit	30,000 28.1%	29,000 27.4%	1,000 100.0%	-	-
Direct Operating Expenses	14,800	14,300	500	-	-
Direct Operating Expenses - D&A	500	500	-	-	-
Corporate Allocation - D&A	3,300	3,300	-	-	-
Corporate Allocation	8,000	7,900	100	-	-
MIP Incentive Plan - @ 85% MBO	1,600	1,600	0	-	-
Operating Expenses	<u>28,200</u>	<u>27,600</u>	<u>600</u>	-	-
Operating Income (Loss), Before Interest	1,800	1,400	400	-	-
Interest Expense	5,900	5,800	100	-	-
Discontinued Operations - Operating Loss	100	-	-	-	100
Other (Income) Expense	<u>(25,000)</u>	-	-	<u>(25,000)</u>	-
Income (Loss) Before MI & Income Taxes	20,800	(4,400)	300	25,000	(100)
Minority Interest	100	100	-	-	-
Income Taxes	100	100	-	-	-
Net Income (Loss)	<u>\$20,600</u>	<u>(\$4,600)</u>	<u>\$300</u>	<u>\$25,000</u>	<u>(\$100)</u>
EBITDA, with out sale of CPS	<u>\$6,700</u>	<u>\$6,400</u>	<u>\$400</u>	<u>\$0</u>	<u>(\$100)</u>
EBITDA	<u>\$31,700</u>	<u>\$6,400</u>	<u>\$400</u>	<u>\$25,000</u>	<u>(\$100)</u>

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Operating Budget 2000 - Q3

	Consolidated	Infusion	CPI	CPS	Net
Net Revenue	\$111,200	\$109,800	\$1,400	\$0	\$0
Drugs & Supplies	39,800	39,800	-	-	-
Clinical Services	36,800	36,800	-	-	-
Clinical Services - D&A	1,300	1,300	-	-	-
Cost of Sales	77,900	77,900	-	-	-
Gross Profit	33,300	31,900	1,400	-	-
	29.9%	29.1%	100.0%	-	-
Direct Operating Expenses	14,800	14,200	600	-	-
Direct Operating Expenses - D&A	500	500	-	-	-
Corporate Allocation - D&A	3,300	3,300	-	-	-
Corporate Allocation	8,000	7,900	100	-	-
MIP Incentive Plan - @ 85% MBO	1,600	1,600	0	-	-
Operating Expenses	28,200	27,500	700	-	-
Operating Income (Loss), Before Interest	5,100	4,400	700	-	-
Interest Expense	5,900	5,800	100	-	-
Discontinued Operations - Operating Loss	-	-	-	-	-
Other (Income) Expense	-	-	-	-	-
Income (Loss) Before MI & Income Taxes	(800)	(1,400)	600	-	-
Minority Interest	100	100	-	-	-
Income Taxes	100	100	-	-	-
Net Income (Loss)	(\$1,000)	(\$1,600)	\$600	\$0	\$0
EBITDA, with out sale of CPS	\$10,100	\$9,400	\$700	\$0	\$0
EBITDA	\$10,100	\$9,400	\$700	\$0	\$0

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# CORAM

Operating Budget 2000 - Q4

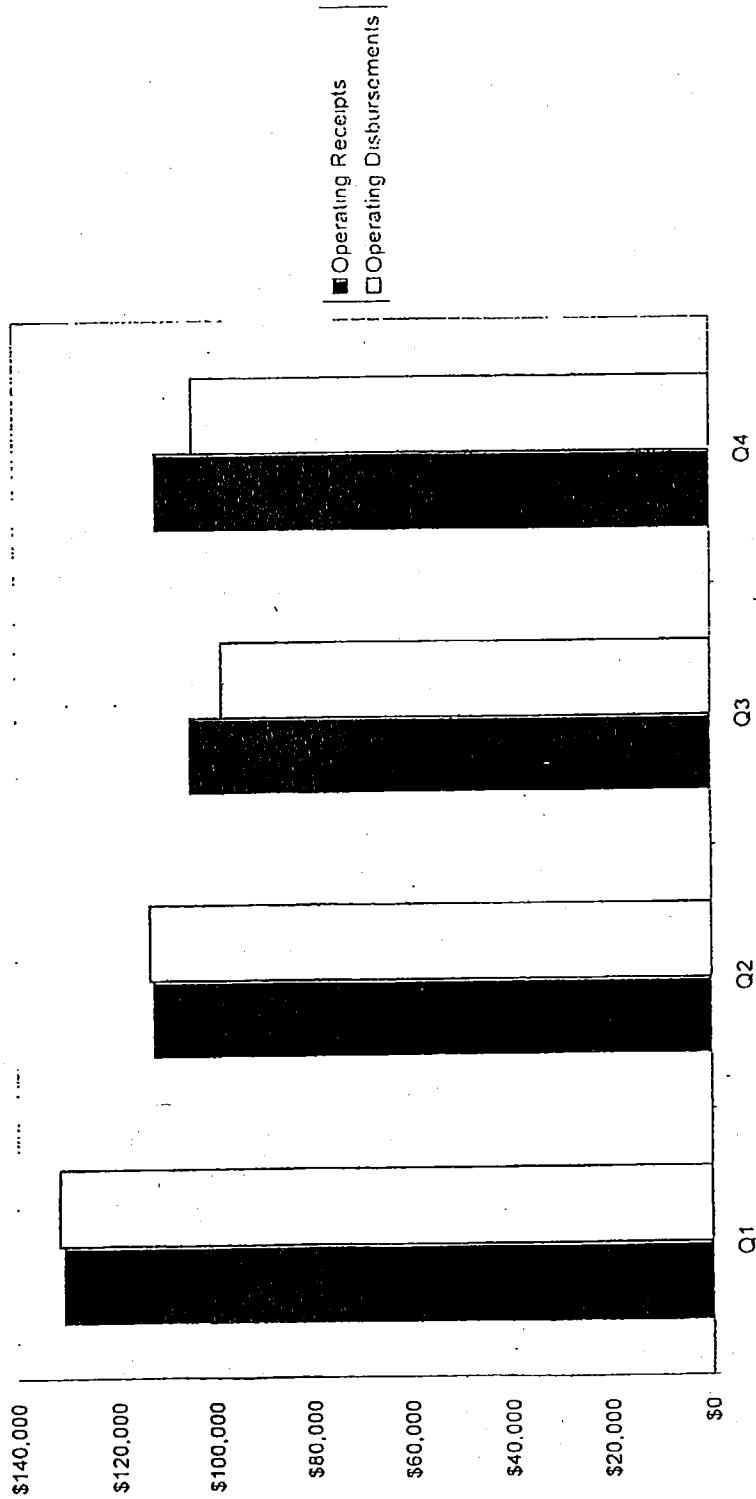
	Consolidated	Infusion	CTI	CPS	Net
Net Revenue	\$115,700	\$114,000	\$1,700	\$0	\$0
Drugs & Supplies	51,700	51,700	-	-	-
Clinical Services	26,600	26,600	-	-	-
Clinical Services - D&A	1,300	1,300	-	-	-
Cost of Sales	79,600	79,600	-	-	-
Gross Profit	36,100	34,400	1,700	-	-
	31.2%	30.2%	100.0%		
Direct Operating Expenses	14,800	14,300	500	-	-
Direct Operating Expenses - D&A	500	500	-	-	-
Corporate Allocation - D&A	3,500	3,300	200	-	-
Corporate Allocation	8,000	8,000	(0)	-	-
MIP Incentive Plan - @ 85% MBO	1,700	1,600	100	-	-
Operating Expenses	28,500	27,700	800	-	-
Operating Income (Loss), Before Interest	7,600	6,700	900	-	-
Interest Expense	6,000	5,900	100	-	-
Discontinued Operations - Operating Loss	-	-	-	-	-
Other (Income) Expense	-	-	-	-	-
Income (Loss) Before MI & Income Taxes	1,600	800	800	-	-
Minority Interest	-	-	-	-	-
Income Taxes	200	200	-	-	-
Net Income (Loss)	\$1,400	\$600	\$800	\$0	\$0
EBITDA, with out sale of CPS	\$12,000	\$11,800	\$1,100	\$0	\$0
EBITDA	\$12,900	\$11,800	\$1,100	\$0	\$0

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**Coram Healthcare Corporation**  
**2000 Recurring Operating Cash Flows**  
**Operating Budget**  
**(In Thousands)**



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**Coram Healthcare Corporation - Consolidated**  
**Operating Cash Flow Statement**  
(In Thousands)

For Period Ending	Q1	Q2	Q3	Actual	Actual	Actual	Q4	1999
(In Thousands)	1999	1999	1999	Oct	Nov	Dec	1999	
<b>Recurring Operating Cash Flows</b>								
Cash Receipts	137,743	155,832	129,662	42,454	42,627	43,683	128,765	552,002
Cash Disbursements	147,442	152,657	134,150	48,697	36,097	52,205	137,000	571,250
<b>Total Recurring Operating Cash Flow</b>	<b>(9,699)</b>	<b>3,174</b>	<b>(4,488)</b>	<b>(6,243)</b>	<b>6,530</b>	<b>(8,522)</b>	<b>(8,235)</b>	<b>(19,248)</b>
<b>Other Cash Flow</b>								
Cash Receipts								
Principal Borrowings	20,000	7,500	0	0	7,000	0	7,000	34,500
Return of Cash LOC's, Deposits	375	200	100	0	0	0	0	675
<b>Total</b>	<b>20,375</b>	<b>7,700</b>	<b>100</b>	<b>0</b>	<b>7,000</b>	<b>0</b>	<b>7,000</b>	<b>35,175</b>
Cash Disbursements								
Interest Expense	5,779	2,306	796	324	314	318	956	9,837
Cognitive Design Acq	140	0	0	0	0	0	0	140
Homocare Hawaii Acq	0	0	0	0	0	0	0	0
Principal Payments	5,000	0	0	0	0	0	0	4,000
<b>Total</b>	<b>10,919</b>	<b>2,306</b>	<b>796</b>	<b>324</b>	<b>314</b>	<b>318</b>	<b>956</b>	<b>14,077</b>
<b>Total Other Cash Flow</b>	<b>9,455</b>	<b>5,394</b>	<b>(696)</b>	<b>(324)</b>	<b>6,686</b>	<b>(318)</b>	<b>5,944</b>	<b>20,148</b>
<b>Total Cash Flow</b>	<b>(243)</b>	<b>8,568</b>	<b>(5,184)</b>	<b>(6,567)</b>	<b>13,216</b>	<b>(8,890)</b>	<b>(2,241)</b>	<b>900</b>
<b>Beginning Cash</b>	<b>9,346</b>	<b>9,004</b>	<b>17,573</b>	<b>12,488</b>	<b>4,579</b>	<b>17,794</b>	<b>12,488</b>	<b>9,346</b>
<b>Ending Cash</b>	<b>9,004</b>	<b>17,573</b>	<b>12,488</b>	<b>5,922</b>	<b>17,794</b>	<b>8,906</b>	<b>8,906</b>	<b>8,906</b>
<b>Increase/Decrease</b>	<b>(342)</b>	<b>8,568</b>	<b>(5,085)</b>	<b>(6,566)</b>	<b>13,215</b>	<b>(8,887)</b>	<b>(2,239)</b>	<b>(440)</b>
<b>Beginning Balance Collateral Account</b>	<b>200</b>	<b>300</b>	<b>300</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Account Activity</b>	<b>100</b>	<b>-</b>	<b>(100)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Balance Collateral Account</b>	<b>300</b>	<b>300</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Revolver Beginning Balance</b>	<b>-</b>	<b>15,000</b>	<b>22,500</b>	<b>37,000</b>	<b>37,000</b>	<b>44,000</b>	<b>37,000</b>	<b>-</b>
<b>Borrowings/Repayments</b>	<b>15,000</b>	<b>7,500</b>	<b>14,500</b>	<b>-</b>	<b>7,000</b>	<b>-</b>	<b>7,000</b>	<b>44,000</b>
<b>Revolver Ending Balance</b>	<b>15,000</b>	<b>22,500</b>	<b>37,000</b>	<b>37,000</b>	<b>44,000</b>	<b>44,000</b>	<b>44,000</b>	<b>44,000</b>
<b>AP Agings - Over 30 Days</b>	<b>*1</b>	<b>7,257</b>	<b>9,413</b>	<b>12,309</b>	<b>13,849</b>	<b>10,770</b>	<b>10,770</b>	<b>-</b>
<b>CPS, Base, Corporate</b>	<b>*1</b>	<b>12,372</b>	<b>22,004</b>	<b>23,233</b>	<b>26,941</b>	<b>28,196</b>	<b>28,196</b>	<b>-</b>
<b>RNET</b>	<b>*1</b>	<b>19,629</b>	<b>31,417</b>	<b>35,542</b>	<b>40,790</b>	<b>38,966</b>	<b>38,966</b>	<b>-</b>
<b>Total</b>	<b>*1</b>	<b>19,629</b>	<b>31,417</b>	<b>35,542</b>	<b>40,790</b>	<b>38,966</b>	<b>38,966</b>	<b>-</b>

Note: Excludes CPS/PBM receipts and disbursements  
Nov and Dec exclude Rnet receipts and disbursements  
\*1 = information not available

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Coram Healthcare Corporation - Consolidated  
1999 Operating Receipts  
(In Thousands)

For Period Ending	Q1	Q2	Q3	Oct	Nov	Dec	Q4	Total 1999
<b>Total Receipts</b>	<b>137,743</b>	<b>155,832</b>	<b>129,662</b>	<b>42,454</b>	<b>42,627</b>	<b>43,683</b>	<b>128,765</b>	<b>552,002</b>
INFUSION	94,668	105,368	103,764	34,801	37,272	36,873	108,945	412,745
CPS w/o PBM	10,322	13,148	13,625	4,302	4,796	5,008	14,105	51,199
RNET	19,837	12,075	7,378	2,317	-	-	2,317	31,607
AETNA	20,120	21,230	-	-	-	-	-	41,350
CLINICAL RESEARCH	76	43	369	195	98	157	450	939
OTHER	2,720	3,968	4,526	840	462	1,645	2,948	14,162

Note: Excludes CPS, PBM receipts  
Nov and Dec exclude Rnet Receipts

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**Coram Healthcare Corporation - Consolidated**  
**1999 Operating Disbursements**  
(In Thousands)

For Period Ending	Q1	Q2	Q3	Oct	Nov	Dec	Q4	Total 1999
<b>Total Operating Disbursements</b>	<b>147,442</b>	<b>152,657</b>	<b>134,150</b>	<b>48,697</b>	<b>36,097</b>	<b>52,205</b>	<b>137,000</b>	<b>571,250</b>
<b>Drugs &amp; Supplies</b>	72,821	77,054	59,617	26,986	14,736	24,355	66,077	275,568
PP&E	3,100	1,897	1,707	358	340	-	698	7,402
Other Non P.O. (Includes CPS non Cardinal Drugs)	26,410	31,409	31,543	7,956	7,989	13,435	29,380	118,742
<b>Total Non P.O.</b>	<b>29,510</b>	<b>33,306</b>	<b>33,250</b>	<b>8,314</b>	<b>8,329</b>	<b>13,435</b>	<b>30,078</b>	<b>126,144</b>
Payroll	40,910	37,562	36,897	12,165	10,959	13,426	36,550	151,918
Cigna	1,906	1,883	1,866	641	880	599	2,120	7,775
401K	1,589	1,935	1,449	465	678	208	1,351	6,324
401K- Match	457	483	592	-	450	-	450	1,983
<b>Total P/R &amp; Related</b>	<b>44,863</b>	<b>41,862</b>	<b>40,805</b>	<b>13,270</b>	<b>12,938</b>	<b>14,233</b>	<b>40,410</b>	<b>168,000</b>
<b>Total Settlements &amp; Other</b>	19	268	319	34	34	109	178	784
<b>Total Earnouts &amp; Canada</b>	135	75	75	63	-	47	110	396
<b>Total Operational Banking</b>	93	92	85	29	31	27	87	358
	<b>147,442</b>	<b>152,657</b>	<b>134,150</b>	<b>48,697</b>	<b>36,097</b>	<b>52,205</b>	<b>137,000</b>	<b>571,250</b>
<b>Non-Operating Disbursements</b>								
Term Facility Interest	221	548	796	324	314	318	956	2,522
Series A&B Interest	5,555	1,758	-	-	-	-	-	7,313
<b>Total Debt Recurring</b>	<b>5,776</b>	<b>2,306</b>	<b>796</b>	<b>324</b>	<b>314</b>	<b>318</b>	<b>956</b>	<b>9,835</b>
<b>Collateral</b>	100	-	-	-	-	-	-	100
<b>Principal Payments</b>	5,000	-	-	-	-	-	-	5,000

NOTE: Excludes CPS, PBM disbursements  
Nov and Dec exclude Rnet disbursements  
Dec Payroll includes imputed for 1st Payroll in Jan '00 as transmitted early due to Y2K concerns

COR.-EQTY0002776

**Coram Healthcare Corporation - Consolidated  
Operating Cash Flow Statement  
(In Thousands)**

For Period Ending	Q1 1998	Q2 1998	Q3 1998	Q4 1998	YTD 1998
(In Thousands)					
<b>Recurring Operating Cash Flows</b>					
Cash Receipts	104,826	111,489	131,959	141,296	489,571
Cash Disbursements	112,641	116,613	127,707	139,201	496,162
<b>Total Recurring Operating Cash Flow</b>	<b>(7,815)</b>	<b>(5,123)</b>	<b>4,253</b>	<b>2,095</b>	<b>(6,591)</b>
<b>Other Cash Flow</b>					
Cash Receipts					
Sale of CHT Interest	0	0	30	70	100
Sale of Healthcare At Home	0	0	750	0	750
Return of Cash LOC's/Deposits	0	0	7,450	0	7,450
Principal Borrowings	0	0	23,250	12,000	35,250
<b>Total</b>	<b>0</b>	<b>0</b>	<b>31,480</b>	<b>12,070</b>	<b>43,550</b>
Cash Disbursements					
Interest Expense	791	0	1,923	5,786	8,500
Debt Restructure - Warrant pymts & fees	0	0	4,950	0	4,950
Litro Sale	0	0	180	0	180
Homecare Hawaii Acq	530	0	0	0	530
Healthquest Acq	0	1,500	1,000	0	2,500
Principal Payments	80,000	0	14,000	21,250	115,250
<b>Total</b>	<b>81,321</b>	<b>1,500</b>	<b>22,053</b>	<b>27,036</b>	<b>131,910</b>
<b>Total Other Cash Flow</b>	<b>(81,321)</b>	<b>(1,500)</b>	<b>9,427</b>	<b>(14,966)</b>	<b>(88,360)</b>
<b>Total Cash Flow</b>	<b>(89,137)</b>	<b>(6,623)</b>	<b>13,680</b>	<b>(12,871)</b>	<b>(94,951)</b>
<b>Beginning Cash</b>	<b>104,297</b>	<b>15,164</b>	<b>8,525</b>	<b>22,217</b>	<b>104,297</b>
<b>Ending Cash</b>	<b>15,164</b>	<b>8,525</b>	<b>22,217</b>	<b>9,346</b>	<b>9,346</b>
<b>Increase(Decrease)</b>	<b>(89,134)</b>	<b>(6,639)</b>	<b>13,602</b>	<b>(12,871)</b>	<b>(94,951)</b>
<b>Beginning Balance Collateral Account</b>	<b>3,799</b>	<b>4,049</b>	<b>7,049</b>	<b>250</b>	<b>3,799</b>
<b>Account Activity</b>	<b>250</b>	<b>3,000</b>	<b>(6,799)</b>	<b>(50)</b>	<b>(3,599)</b>
<b>Ending Balance Collateral Account</b>	<b>4,049</b>	<b>7,049</b>	<b>250</b>	<b>200</b>	<b>200</b>
<b>Revolver Beginning Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,250</b>	<b>-</b>
<b>Borrowings/Repayments</b>	<b>-</b>	<b>-</b>	<b>9,250</b>	<b>(9,250)</b>	<b>-</b>
<b>Revolver Ending Balance</b>	<b>-</b>	<b>-</b>	<b>9,250</b>	<b>0</b>	<b>-</b>

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COR-EQTY0002777

**Coram Healthcare Corporation - Consolidated**  
**Operating Cash Flow Statement**  
(In Thousands)

For Period Ending	Q1	Q2	Q3	Q4	1997
(In Thousands)	1997	1997	1997	1997	YTD
<b>Recurring Operating Cash Flows</b>					
Cash Receipts	121,302	123,793	116,067	110,587	471,748
Cash Disbursements	115,840	115,064	115,362	108,718	454,984
<b>Total Recurring Operating Cash Flow</b>	<b>5,462</b>	<b>8,728</b>	<b>705</b>	<b>1,869</b>	<b>16,764</b>
<b>Other Cash Flow</b>					
Cash Receipts	0	0	0	126,600	126,600
Lithotripsy Division Sale	0	15,000	0	0	15,000
IHS Termination Fee	0	0	41,400	0	41,400
Caremark Settlement	0	0	0	0	0
Principal Borrowings	0	15,000	41,400	126,600	183,000
<b>Total</b>	<b>0</b>	<b>15,000</b>	<b>41,400</b>	<b>126,600</b>	<b>183,000</b>
Cash Disbursements	3,267	7,106	3,191	2,305	15,870
Interest Expense	0	22,700	20,000	35,000	77,700
Principal Payments	3,267	29,806	23,191	37,306	93,570
<b>Total</b>	<b>(3,267)</b>	<b>(14,806)</b>	<b>18,209</b>	<b>89,294</b>	<b>89,430</b>
<b>Total Other Cash Flow</b>	<b>2,195</b>	<b>(6,078)</b>	<b>18,914</b>	<b>91,163</b>	<b>106,194</b>
<b>Beginning Cash</b>	<b>(1,897)</b>	<b>298</b>	<b>(5,780)</b>	<b>13,135</b>	<b>(1,897)</b>
<b>Ending Cash</b>	<b>298</b>	<b>(5,780)</b>	<b>13,135</b>	<b>104,297</b>	<b>104,297</b>
<b>Increase(Decrease)</b>	<b>2,195</b>	<b>(6,078)</b>	<b>18,914</b>	<b>91,163</b>	<b>106,194</b>
<b>Revolver Beginning Balance</b>	<b>77,700</b>	<b>77,700</b>	<b>55,000</b>	<b>35,000</b>	<b>77,700</b>
<b>Borrowings/Repayments</b>	<b>0</b>	<b>(22,700)</b>	<b>(20,000)</b>	<b>(35,000)</b>	<b>(77,700)</b>
<b>Revolver Ending Balance</b>	<b>77,700</b>	<b>55,000</b>	<b>35,000</b>	<b>0</b>	<b>0</b>

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COR-EQTY0002778

**Coram Healthcare Corporation - Consolidated  
Operating Cash Flow Statement  
(In Thousands)**

	January 2000
<b>For Period Ending</b>	
(In Thousands)	
<b>Recurring Operating Cash Flows</b>	
Cash Receipts	39,215
Cash Disbursements	<u>36,988</u>
<b>Total Recurring Operating Cash Flow</b>	<b>2,228</b>
<b>Other Cash Flow</b>	
Cash Receipts	
Principal Borrowings	1,500
Interest/Misc	28
Total	<u>1,528</u>
Cash Disbursements	
Interest Expense	400
Principal Payments	<u>3,000</u>
Total	<u>3,400</u>
<b>Total Other Cash Flow</b>	<b>(1,872)</b>
<b>Total Cash Flow</b>	<u><b>356</b></u>
<b>Beginning Cash</b>	8,906
<b>Ending Cash</b>	9,263
<b>Increase(Decrease)</b>	356
<b>Beginning Balance Collateral Account</b>	200
<b>Account Activity</b>	-
<b>Ending Balance Collateral Account</b>	200
<b>Revolver Beginning Balance</b>	44,000
<b>Borrowings/Repayments</b>	(1,500)
<b>Revolver Ending Balance</b>	42,500

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COR-EQTY0002779

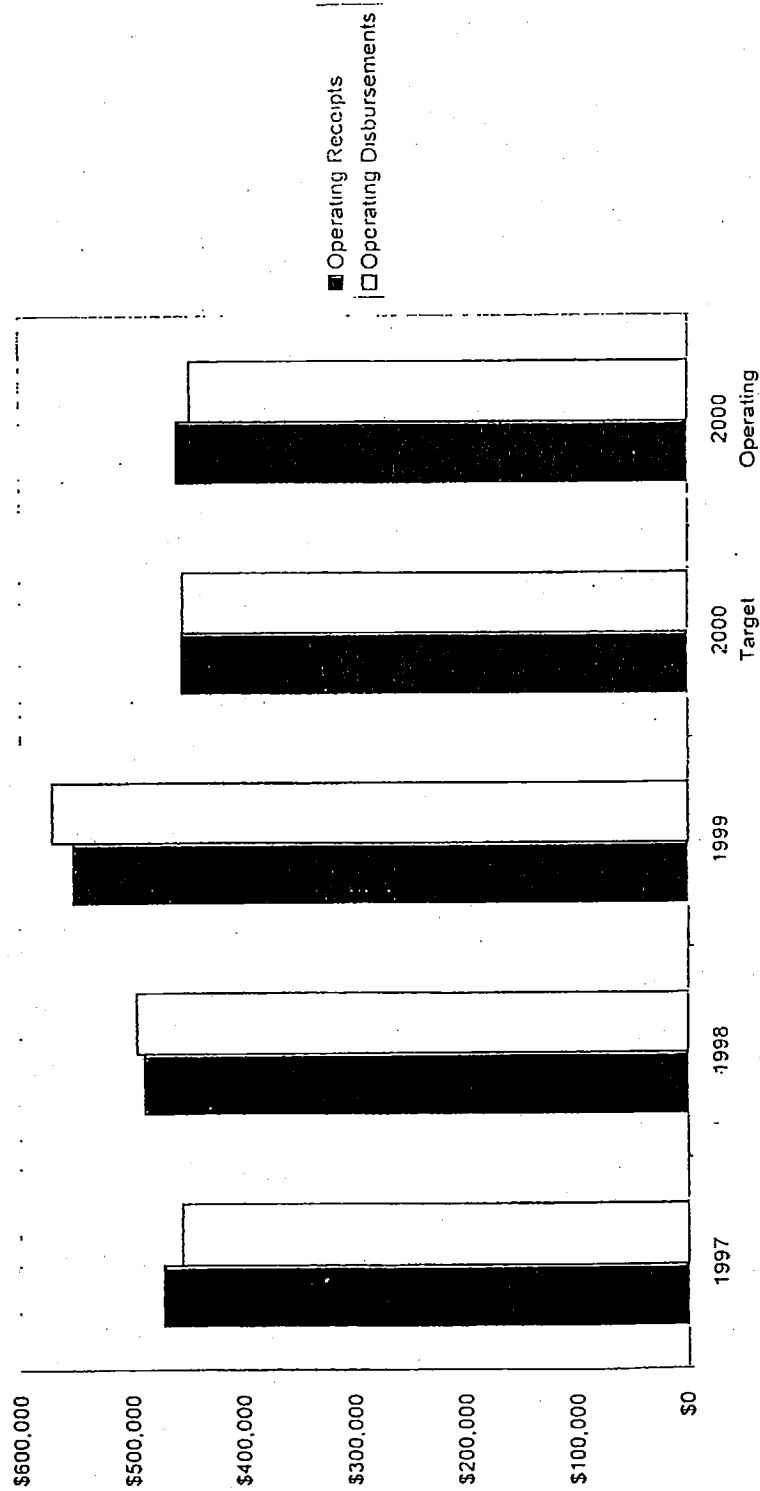
**Coram Healthcare Corporation**  
**Disbursement Analysis**  
**(In Thousands)**

For Period Ending	January 2000
<b>Total Disbursements</b>	<b>40,388</b>
Drugs & Supplies	10,329
Cardinal - Wires	8,688
<b>Sub-Total Drugs &amp; Supplies</b>	<b>19,017</b>
Non-Purchase Orders	9,004
P-Card	71
Postage by Phone	30
<b>Sub-Total Non P.O.</b>	<b>9,105</b>
Payroll	7,391
Cigna	735
401K	691
<b>Sub-Total P/R &amp; Related</b>	<b>8,818</b>
Earnout	
Canada Funding	20
<b>Sub-Total Asset Investments</b>	<b>20</b>
Banking Fees	19
Merchant Fees	9
<b>Sub-Total Operational Banking</b>	<b>29</b>
Term Facility Interest	400
<b>Sub-Total Debt Recurring</b>	<b>400</b>
<b>Principal Payments</b>	<b>3,000</b>
<b>Total</b>	<b>40,388</b>

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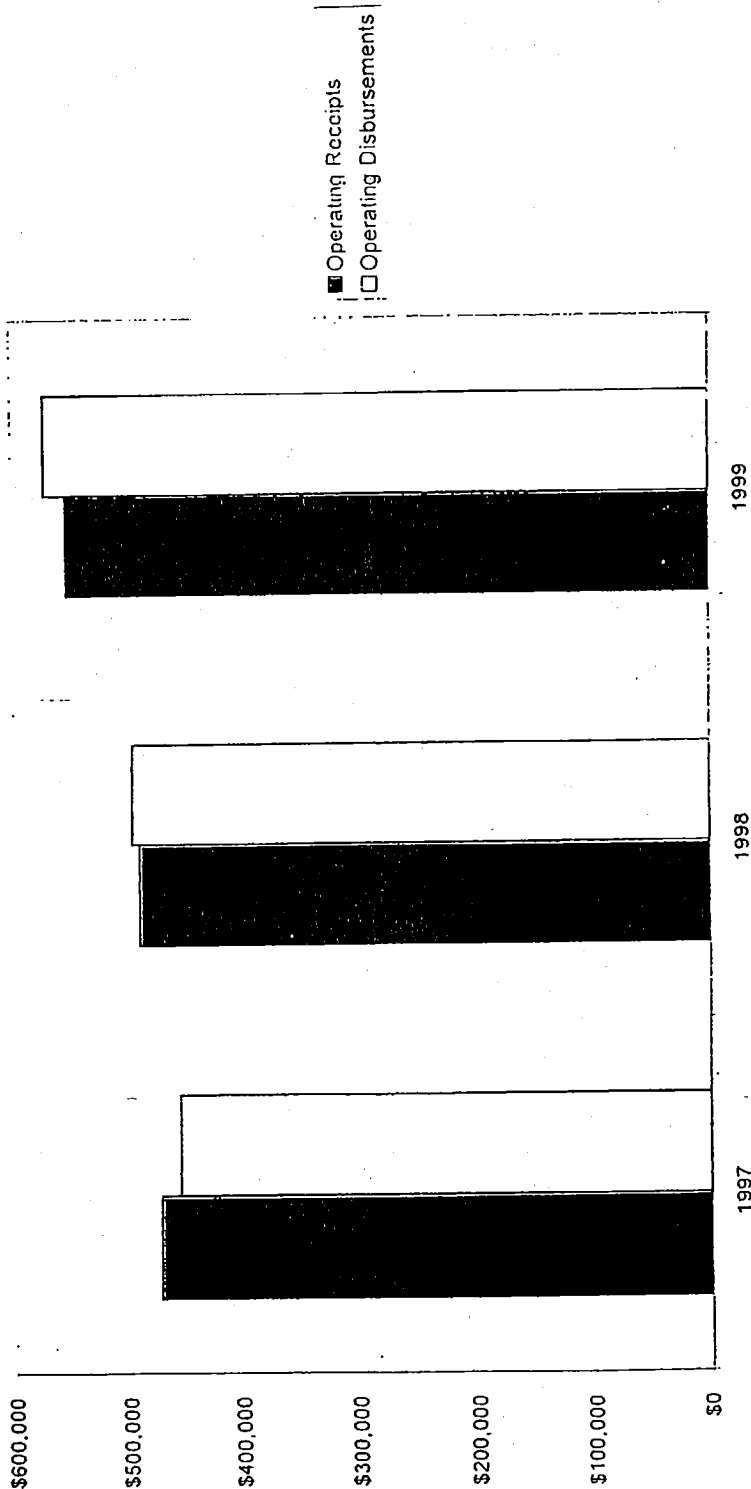
Coram Healthcare Corporation  
Recurring Operating Cash Flows  
Annual Summaries  
(In Thousands)



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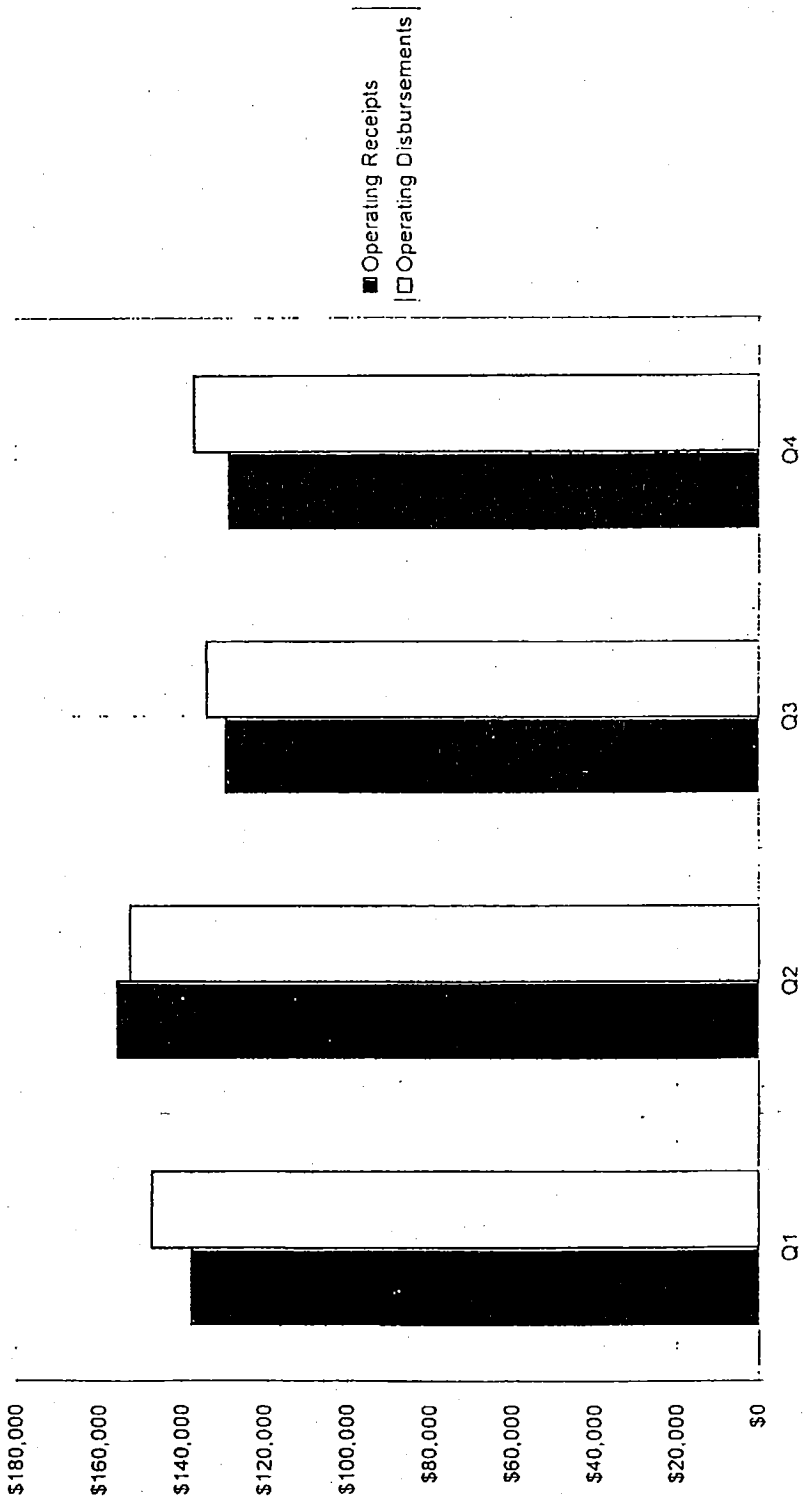
Coram Healthcare Corporation  
Recurring Operating Cash Flows  
Annual Summaries  
(In Thousands)



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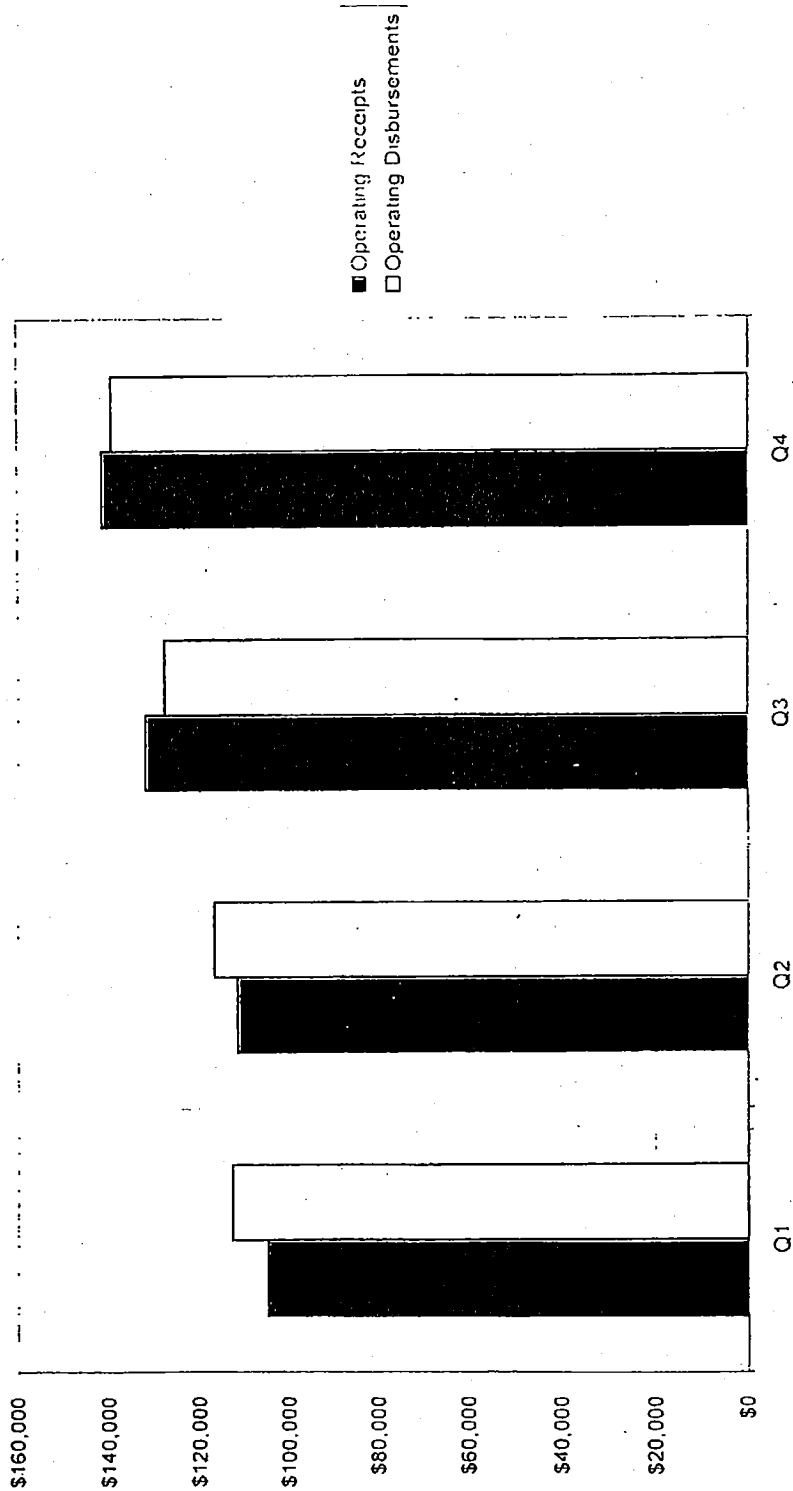
Coram Healthcare Corporation  
1999 Recurring Operating Cash Flows  
(In Thousands)



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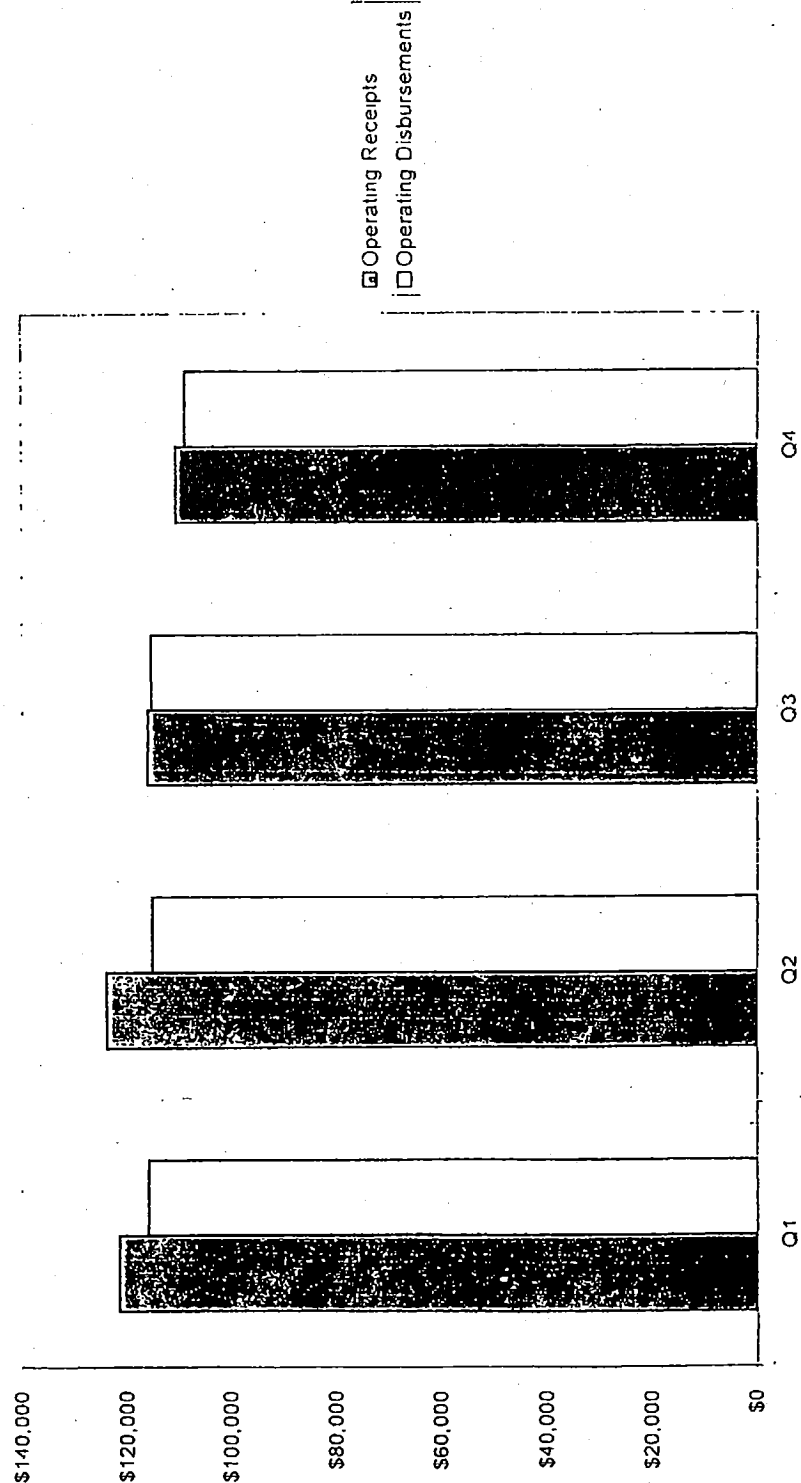
Coram Healthcare Corporation  
1998 Recurring Operating Cash Flows  
(In Thousands)



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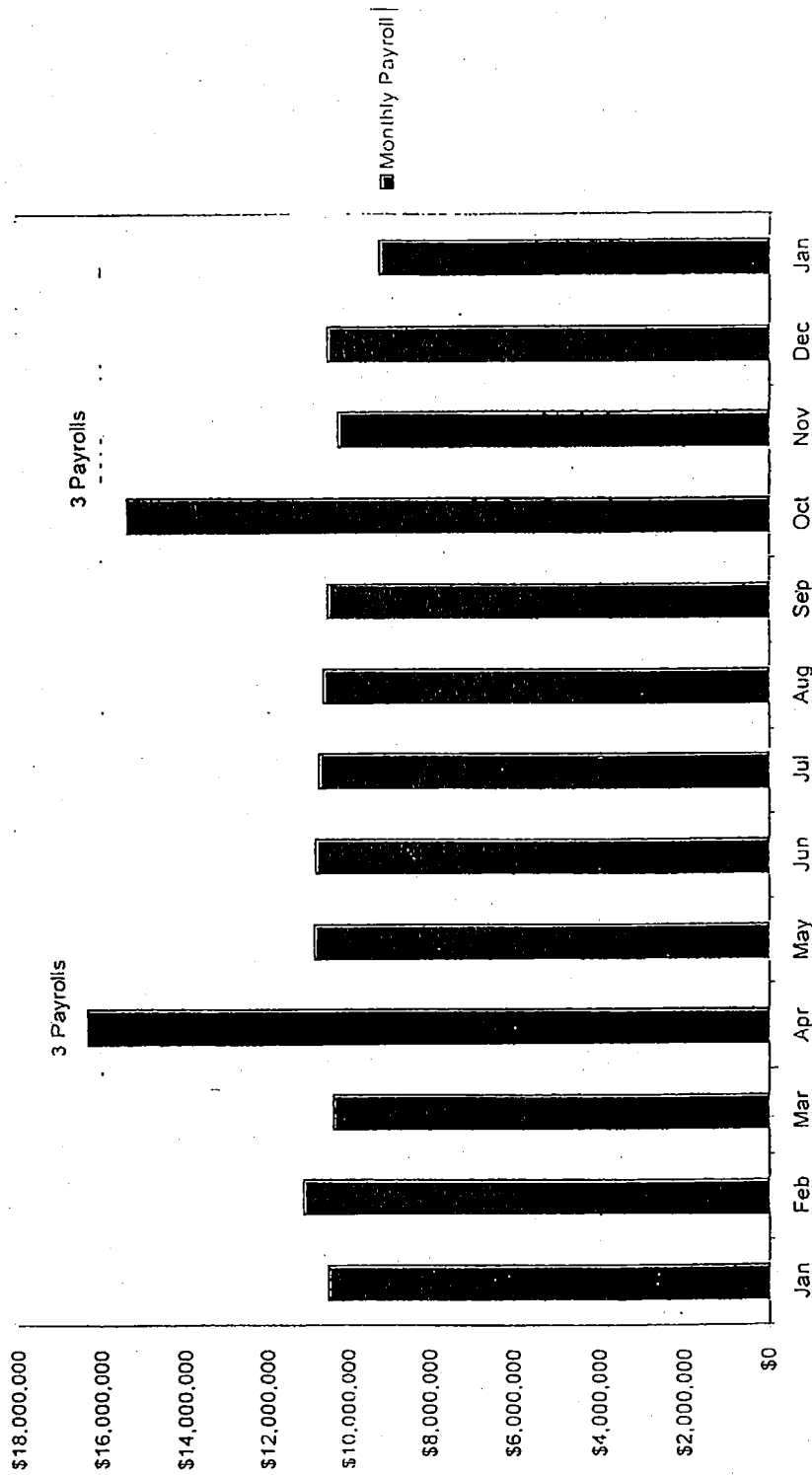
Coram Healthcare Corporation  
1997 Recurring Operating Cash Flows  
(In Thousands)



Page 12

COR.-EQTY0002785

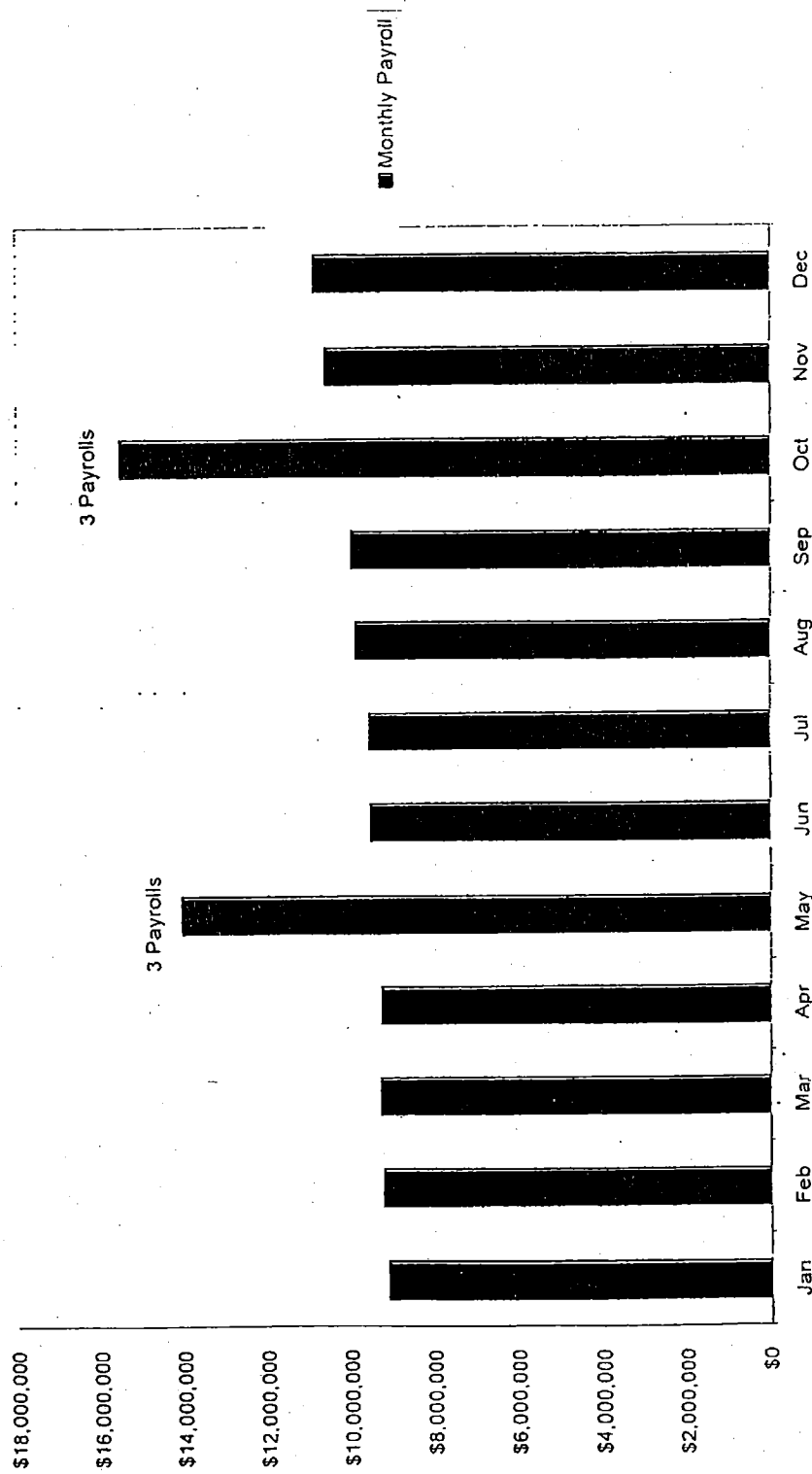
Coram Healthcare Corporation  
1999 & January 2000 Cash Payroll by Month



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Coram Healthcare Corporation  
1998 Cash Payroll by Month



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COR-EQTY0002787

Cash Coverage

COR.-EQTY0002788

**CORAM HEALTHCARE CORPORATION**  
**CASH TO COVER INTEREST PAYMENTS**

	<i>Board Target Budget</i>	<i>Operating Budget</i>	<i>Projected Fiscal 2001</i>
Operating Cash Flow	\$ 20,305,000	\$ 25,900,000	\$ 25,900,000
Other disbursements, includes legal fees	<u>(4,657,000)</u>	<u>-</u>	<u>(1)</u>
Net Operating Cash flow	15,648,000	25,900,000	25,900,000
Capital Expenditures	(3,969,000)	(3,200,000)	(3,200,000)
Restructure payments	(10,034,000)	(10,000,000)	-
Tax payments and other	<u>(817,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>
Net cash available for interest	828,000	12,400,000	22,400,000
Cash interest expense	<u>(15,998,000)</u>	<u>(13,500,000)</u>	<u>(2)</u>
Cash shortfall	<u>\$ (15,170,000)</u>	<u>\$ (1,100,000)</u>	<u>\$ (5,450,000)</u>

Debt Balances, with \$40 million payoff on the Series B 2nd Quarter:

Series A	\$ 168,423,372
Series B	52,084,099
Senior	44,000,000
Total	<u>\$ 264,507,471</u>

(1) Other expenses listed separately in the Board budget were primarily bonuses and legal fees. These costs are included in the operating expenses line for the Operating budget

(2) Cash interest is different because the Board budget assumed the interest that was due January 15th would be paid in cash and it was paid as PIK.

2/12/00

COR-EQTY0002789

A/R & A/P

COR.-EQTY0002790



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Coram Healthcare Corporation  
Stark II Compliance

Projected December 31, 2000 Analysis		
Year End Equity Test:		
	Target Budget	Operational Budget
December 31, 2000 Estimated Stockholder Equity	\$ (5,894)	\$ (5,094)
Minimum Equity	\$ 75,001	\$ 75,001
Over (Under)	\$ (80,895)	\$ (80,095)

Preliminary December 31, 1999 Analysis	
Quarterly Average Equity Test:	
	1999 @ Feb 10 Prelim
Average Equity with '99 at \$(112.7) net loss	\$ 76,119
Minimum Equity	\$ 75,001
Over (Under)	\$ 1,118

Coram's Estimated Equity December 31, 2000		
	Target Budget	Operational Budget
December 31, 1999 Estimated Stockholder Equity:	\$ (19,594)	\$ (19,594)
2000 Budgeted Net Income	13,700	14,500
December 31, 2000 Estimated Stockholder Equity	\$ (5,894)	\$ (5,094)

Note: The Annual Average, Monthly Average and Quarterly Average Tests are not met with the applicable years for the averages being '98, preliminary '99 and Budget '00. The Year End Test is the only applicable test for 2000.

Coram's Estimated 3 Year Quarterly Equity Average		
	1997	1998
Cumulative Quarterly Equity, 1997 - 1999	\$ 913,428	\$ 92,496
Divided by 12 Quarters	12	54,642
Coram's Estimated 3 Year Average, Quarterly Equity	\$ 76,119	\$ 39,557

Stockholder Equity Quarterly Totals		
	1997	1998
Mar	\$ 170,044	\$ 108,086
Jun	\$ 274,776	\$ 91,001
Sep	\$ 270,319	\$ 91,978
Dec	\$ 198,289	\$ 92,857
Totals	\$ 913,428	\$ 383,922

Note: Stockholder Equity Balances agree to Form 100's and 10K's through September 30, 1999.

1/1

2/12/00

COR-EQTY0002793

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**Coram Healthcare Corporation - Consolidated  
Comparative Historical Operating Results  
1997 and 1998, 1999e & Budget 2000**

**RESULTS OF OPERATIONS**

	1997	1998	Preliminary 1999 (Unaudited)	Target Budget 2000	Operational Budget 2000
Net Revenue	\$ 473,141	\$ 526,516	\$ 598,479	\$ 453,200	\$ 469,700
Cost of Sales	337,537	394,532	495,347	348,800	336,600
Gross Profit	135,604	131,984	103,132	104,400	133,100
% to Net Revenue	28.7%	25.1%	17.2%	23.0%	28.3%
Operating Expenses (see comments)	122,962	119,153	166,248	110,200	118,600
Operating Income (Loss)	\$ 12,642	\$ 12,831	\$ (63,116)	\$ (5,800)	\$ 14,500
Income (Loss) before Minority Interest & Taxes	\$ 140,093	\$ (17,996)	\$ (110,810)	\$ 15,000	\$ 15,300
Net Income (Loss)	\$ 125,260	\$ (21,695)	\$ (112,720)	\$ 13,700	\$ 14,500
Net Income (Loss), without settlements & business sales	\$ (73,458)	\$ (22,766)	\$ (112,720)	\$ (31,300)	\$ (10,500)
NOTE: 1999 does not include restatement of Revenue, COS, Operating Expenses & Operating Income for discontinued operations of RNET.					
EBITDA	\$ 233,690	\$ 35,780	\$ (44,300)	\$ 59,000	\$ 60,000
EBITDA without settlements & business sales	\$ 34,972	\$ 34,709	\$ (44,300)	\$ 14,000	\$ 35,000
<b>CASH ACTIVITY</b>					
Cash Receipts (see comments)	\$ 471,748	\$ 489,571	\$ 552,002	\$ 455,000	\$ 459,800
Cash Disbursements	(454,984)	(496,162)	(571,250)	(454,200)	(447,400)
Cash from Operations	16,764	(6,591)	(19,248)	800	12,400
Interest Payments	(15,870)	(8,500)	(9,837)	(16,000)	(13,500)
Debt and Credit Facility Activity, net	(77,700)	(60,000)	29,500	(60,000)	(41,500)
Increase (Decrease) in Cash Before Other Cash, Net	\$ (76,806)	\$ (95,091)	\$ 415	\$ (75,200)	\$ (42,600)
Other Cash, Net (settlements, business sales, etc.)	183,000	140	485	65,000	40,000
Total Increase (Decrease) in Cash	\$ 106,194	\$ (94,951)	\$ 900	\$ (10,200)	\$ (2,600)

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2/12/00, 12:21 PM, Exec Summary

COR.-EQTY0002795

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**Coram Healthcare Corporation - Consolidated  
Comparative Historical Operating Results  
1997 and 1998, 1999e & Budget 2000**

	1997	1998	Preliminary 1999 (Unaudited)	Target Budget 2000	Operational Budget 2000
(a) 1997 Operating Expenses exclude income from litigation settlement.					
(b) Other Income (Expense):					
Income from litigation settlement	\$ 156,792 @	\$ -	\$ -	\$ -	\$ -
Gains on sale of businesses	26,744 @	1,071 @	-	45,000 @	25,000 @
Termination fee	15,182 @	-	-	(23,700)	(23,700)
Interest Expense	(75,026)	(32,734)	(29,633)	(500)	(500)
Losses attributable to discontinued operations / Q4 '99	-	-	-	-	-
Other, net	3,759	836	(18,061)	-	-
Total Other Income (Expense)	\$ 127,451	\$ (30,827)	\$ (47,694)	\$ 20,800	\$ 800
Settlements & business sales adjustments to EBITDA	\$ 198,718 @	\$ 1,071 @	\$ -	\$ 45,000 @	\$ 25,000 @
(c) Cash Activity:					
1) Other Cash, Net (settlements, business sales, etc.)					
Litko Sale - includes \$820k in '98 from I H S stock	\$ 125,600	\$ (180)	\$ -	\$ -	\$ -
Caremark Settlement	41,400	-	-	-	-
IHS Termination Fee	15,000	-	-	-	-
CHT Sale	-	100	-	-	-
Healthcare At Home Sale (England)	-	750	-	-	-
Prior period cash returns of LOC's, deposits, etc.	-	7,450	675	-	-
Debt restructure - warrant payments & fees	-	(4,950)	-	-	-
Healthquest Acquisition	-	(2,500)	-	-	-
Homecare Hawaii Acquisition	-	(530)	(50)	-	-
Cognitive Design Acquisition	-	-	(140)	-	-
Sale of CPS, net of fees	-	-	-	65,000	40,000
	\$ 183,000	\$ 140	\$ 485	\$ 65,000	\$ 40,000

2) Debt and Credit Facility activity for 1999 excludes non-cash activity due to Aetna's draw against the RNET letters of credit of \$14.5 million.

3) '00 Target Budget payoff on the Series B \$60 million. Operation Budget payoff on the Series B \$40 million.

2 / 2

2/12/00: 12:21 PM; Exec Summary

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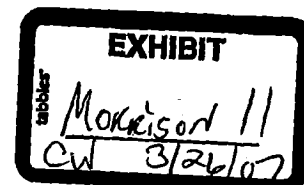


Dennis Burton  
President

March 3, 2000

**STRICTLY PRIVATE AND CONFIDENTIAL**

Coram Healthcare Corporation  
c/o Deutsche Banc Alex. Brown  
One South Street  
Baltimore, Maryland 21202  
Attention: Joseph Gulhner  
Christina T. Morrison



Ladies and Gentlemen:

ProCare Pharmacy, Inc. ("CVS ProCare"), a subsidiary of CVS Corporation, is pleased to submit its offer to acquire the assets of Coram Prescription Services (the "Company").

Based upon and consistent with the terms and conditions contained in the attached Asset Purchase Agreement, which has been marked to reflect our proposed changes (the "Revised Agreement"), we are prepared to pay thirty four million five hundred thousand dollars (\$34,500,000.00) in cash at closing for the Company's assets. This purchase price represents the sum of three components: our determination of the Company's base asset value (including premium), inventory value as of the December 31, 1999 unaudited balance sheet, and accounts receivable value as of the Accounts Receivable Aging Report dated February 25, 2000 and based upon other information provided us. As you will see in the Revised Agreement, our determination of the Company's inventory value and accounts receivable value may differ at the closing based on changes which occur in the Company's business.

Our proposed purchase price also assumes that the Company will reach an agreement with Johns Hopkins whereby the Company's lease of retail pharmacy space, and its specially pharmacy and pharmacy benefit management agreements with John Hopkins will be extended to at least June 30, 2002 on terms reasonably satisfactory to us, which terms must include PBM pricing sufficient to maintain break-even profitability while the pharmacy maintains the same reimbursement levels on a fee-for-service basis. The Revised Agreement will need to include a purchase price adjustment mechanism to be negotiated if these conditions are not satisfied prior to closing.

We are prepared to enter into a definitive agreement with terms substantially consistent with those set out in this letter and the Revised Agreement. We understand additional modifications will be necessary to the Revised Agreement, and we stand ready to negotiate these terms upon your acceptance of this offer.

CROWLEY 0098

One CVS Drive • Woonsocket, RI 02895 • Tel. (401) 770-2090 • Fax (401) 765-7803

Coram Healthcare Corporation  
c/o Deutsche Banc Alex Brown  
March 3, 2000  
Page 2

Also enclosed are revised versions of the Transitional Services Agreement and the Marketing Services Agreement [as well as a draft proposal of the allocation of purchase price which can be discussed further with your tax department if CVS ProCare's offer is accepted.]

Our offer is not contingent on financing, and we will complete this proposed transaction using cash or funds available under existing credit lines.

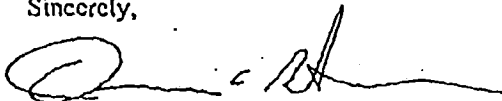
Approval of CVS ProCare's Board of Directors will be required before entering into a definitive agreement. Obviously, we will also need to obtain certain governmental approvals (including expiration of applicable waiting periods under Hart-Scott-Rodino), licenses and permits in order to consummate the transaction. However, we are very familiar with this process and do not anticipate any unusual complications. The Revised Agreement includes other conditions to closing.

We believe we have completed most of our due diligence exercise. Limited additional due diligence will be required before signing the Revised Agreement, mostly confirmatory in nature and mainly focusing on review of the Company's accounts receivable, documents and other information which has not yet been provided by the Company. We expect the additional due diligence will be completed by March 10, 2000.

In consideration of the time and resources that we will devote to the transaction contemplated hereby, and if our offer is accepted, we will expect to be granted a customary exclusivity period to complete the transaction. We will consider our offer withdrawn in the event that you disclose our offer or any other information regarding our interest in the Company to any other party.

We are prepared to devote our full resources and energy to completing this transaction on an expeditious basis. Please do not hesitate to contact me or any of the parties listed below with any questions or comments regarding CVS ProCare's proposal to acquire the assets of the Company. We look forward to hearing from you.

Sincerely,



Dennis Burton

CROWLEY 0099

PRV\_Goliath Cvr Ltr.DOC/CORAM